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Message Text

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47
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 DODE-00 EB-07 COME-00 SS-15 NSC-05 OIC-02

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FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 9665
INFO ALL NATO CAPITALS 4908

S E C R E T USNATO 0304

E.O. 11652: GDS
TAGS: PFOR, ECON, NATO
SUBJECT: NATO STUDY OF ECONOMIC ISSUES

REF: STATE 12084

1. MISSION WELCOMES US INITIATIVE FOR NATO TO STUDY AND DISCUSS ECONOMIC ASPECTS OF ALLIANCE SECURITY TO FOLLOW-UP ON THE COMMON AND STRONGLY-FELT CONCERN EXPRESSED BY FOREIGN MINISTERS LAST DECEMBER. AT THE PERMREPS LUNCHEON JANUARY 21, I ANNOUNCED OUR INTENTION TO PROPOSE GREATER NATO INVOLVEMENT IN STUDYING AND DISCUSSING ECONOMIC ISSUES AFFECTING THE ALLIANCE. AT THE NEXT NAC MEETING I SHALL MAKE A FORMAL PROPOSAL FOR ONGOING STUDY AND HIGH-LEVEL DISCUSSION OF SUCH ISSUES IN NATO, INCLUDING THE SUGGESTION THAT WE BEGIN WITH AN ANALYSIS OF THE RELATIVE IMPACT ON NATO AND THE WARSAW PACT OF WORLD TRENDS IN INFLATION, RECESSION AND HIGH OIL PRICES.

2. THE BEST PROCEDURE TO HANDLE SUCH A STUDY WITHIN THE NATO STRUCTURE IS TO BEGIN WITH AN EXCHANGE OF ALLIED VIEWS IN THE ECONOMIC COMMITTEE ON THE BASIS OF THE US DRAFT STUDY. AS A RESULT OF SUGGESTIONS BY THE US, CANADA, AND DENMARK AT THE DECEMBER 3 COUNCIL MEETING (USNATO 6734), THE ECONOMIC DIRECTORATE
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IS ALREADY PREPARING STUDIES ON THE EFFECT OF THE WESTERN ECONOMIC SLOWDOWN ON EAST-WEST TRADE AND ON THE LONGER-TERM ENERGY PROSPECTS FOR THE USSR AND OTHER WARSAW PACT COUNTRIES. THESE REPORTS MAY COMPLEMENT AND CONTRIBUTE TO A BROADER NATO-WARSAW PACT ECONOMIC

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ANALYSIS. AS SOON AS THE ECONOMIC COMMITTEE REACHES AGREEMENT ON AN ECONOMIC APPRECIATION, WHICH WOULD PROBABLY TAKE TWO TO THREE WEEKS, THE SPC SHOULD BE ASKED TO COMMENT ON THE POLITICAL AND SECURITY IMPLICATINS FLOWING FROM THE ECONOMIC TRENDS IDENTIFIED. THESE REPORTS COULD SERVE AS THE BASIS FOR DISCUSSION AT A REINFORCED NAC AT A SUFFICIENTLY HIGH LEVEL TO PROMOTE INFORMED, POLICY-LEVEL EXCHANGE OF VIEWS. IDEALLY THE US SHOULD BE REPRESENTED BY UNDER SECRETARY ROBINSON OR ASSISTANT SECRETARY ENDERS AND OTHER ALLIES SHOULD SEND DELEGATES OF AN EQUIVALENT HIGH LEVEL.

3. THE LEVEL OF REPRESENTATION FROM ALLIED CAPITALS AT A REINFORCED NAC WILL, OF COURSE, DEPEND IN PART ON PREVIOUS COMMITMENTS OF US AND OTHER OFFICIALS. HOWEVER, I BELIEVE THE US SHOULD ENCOURAGE PARTI-CIPATION AT THE HIGHEST LEVEL POSSIBLE, NOT ONLY TO DEMONSTRATE THE IMPORTANCE WE ATTACH TO CONSULTATION ON ECONOMIC PROBLEMS AFFECTING THE COHESION AND SECURITY OF THE ALLIANCE, BUT TO SET AN EXAMPLE FOR ACTIVE PARTICIPATION BY OUR ALLIES IN FUTURE WIDER-RANGING CONSULTATION ON OTHER ECONOMIC ISSUES OF COMMON CONCERN.

4. AT SOME POINT, AS RESULT OF BACKGROUND STATEMENTS BY OHER DELEGATIONS OR INTERNATIONAL STAFF MEMBERS, PUBLIC PROBABLY WILL LEARN THAT NATO IS STUDYING AND DISCUSSING BROADER ECONOMIC ISSUES AFFECTING THE ALLIANCE, INCLUDING REPERCUSSIONS OF INCREASED OIL PRICES. WE SHOULD PLAN NOW ON AGREED PRESS GUIDANCE IN NATO AND IN CAPITALS THAT WILL EXPLAIN NATURAL CONCERN OF ALLIANCE WITH WORLD ECONOMIC TRENDS BUT WILL NOT RAISE SUSPICIONS OF OPEC COUNTRIES.

5. TO MAKE CLEAR THAT SCOPE OF ECONOMIC CONSULTATIONS IN NATO WILL NOT DUPLICATE ECONOMIC NEGOTIATION AND DECISION-MAKING ACTIVITIES THAT ARE APPROPRIATELY CONDUCTED IN OTHER FORA, MISSION RECOMMENDS THAT DEPARTMENT REPEAT STATE 12084 AND THIS MESSAGE TO USOECD AND USEC. FOR OBVIOUS REASONS IT WOULD SEEM THAT EMBASSIES BELGRADE, BUCHAREST, BUDAPEST, MOSCOW, PRAGUE, SOFIA AND WARSAW SHOULD BE APPRISED OF THIS US INITIATIVE. IN VIEW OF THE PRESS CONSIDERATIONS MENTIONED PARA 4,
DEPARTMENT MAY ALSO WANT TO REPEAT MESSAGES TO OUR EMBASSIES IN
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OPEC MEMBER CAPITALS.BRUCE

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